



Spokane, Washington

Innovation Zone

Application

This Innovation Grant Submittal to Washington State Department of Community and Economic Development is a collaborative effort by the following partners:

- Spokane Area Economic Development Council (Spokane EDC)
- Washington State University, Spokane (WSU Spokane)
- Sirti
- Institute for Systems Medicine (ISM)
- Spokane Regional Chamber of Commerce
- Inland Northwest Health Services (INHS)
- City of Spokane
- Spokane Area Workforce Development Council

1. General Description of the University District Innovation Zone (UDIZ)

Provide a general description of the area you consider a potential “Innovation Zone.” Describe the industries, labor market, potential collaborators. Discuss recent history of collaboration. This section is a narrative of your own design, intended to provide reviewers with evidence that the components of an Innovation Zone are likely to be found in a distinct area.

Following thousands of years of Native American life in the region, Spokane County in Washington State was discovered by entrepreneurs who came to the Pacific Northwest to explore the vast opportunities available. Early wealth came from railroads and agriculture, as well as the mining and timber, and other extractive, industries. While the community thrived on this resource-based economy for decades, spawning several globally competitive companies, the exclusive reliance on these industries into the 20th century and beyond did not allow or encourage sustainability for future generations.

In the mid-1990s and early 2000s, along with other communities across the nation, Spokane began a transition from a resource-based to a technology-

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based economy. While that was not an easy, natural evolution, community leaders and stakeholders embraced and supported this transformation that would create economic vitality in the new economy.

Leveraging the premier assets of the region in healthcare and education, the community focused on the development of a University District in the center of the county's major municipality, the City of Spokane.

The University District concept can be traced to the late 1980's when the region's business leaders convened around an effort intended to transform the local economy called Momentum. Central to Momentum was the notion that higher education, especially at the graduate level, mattered to a new economy. These leaders looked beyond higher enrollments. They imagined a higher education presence that would actively collaborate with the regional business community. With its proximity to the central business district, with Gonzaga University on the opposite bank of the Spokane River and with its acres of open land in an urban setting, the site now known as the Riverpoint Campus attracted the vision of the region's business and public institutional leaders. Today, the joint presence of Washington State University and Eastern Washington University on the Riverpoint Campus, situated just minutes away from the City's nationally renowned Medical District, attracts students, researchers, fledgling technology businesses and collaborations of all varieties.

The first building to occupy this setting was the Sirti building, which opened in 1994 with the express purpose of stimulating the economy of Eastern Washington through efforts to accelerate technology transfer and the growth and development of technology businesses in the region.

Thanks to multiple public and private investments, other buildings have been constructed on Riverpoint, including the Phase I Classroom Building, the Health Sciences Building, the Academic Center opening this fall with a newly expanded campus library, and the Sirti Technology Center. Community Colleges of Spokane moved its administrative functions to a building near the Riverpoint Campus. A new building for the WSU Intercollegiate College of Nursing will break ground this fall. Private renovation and revitalization projects are planned around the entire district, and WSU is seeking a development partner for a 5-acre site on the east end of campus for a mixed-use, public/private partnership development project.

While this buildout began organically, community leaders recognized that this burgeoning district could be enhanced and accelerated to become the impetus for sustainable economic and job growth. During 2003 and 2004, these leaders re-focused their collaborations with the community and the

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higher education institutions on the development of a strategic master plan for the University District. Overall more than 300 people participated in the planning process, including participants from neighborhood groups, education, healthcare, environmental, government, and private organizations.

This plan further illuminated and defined the bold vision to attract a critical mass of top students, staff and faculty, cutting-edge researchers and creative entrepreneurs. These populations are the catalysts for increased commercialization of technology, growth in our healthcare industry and overall economic prosperity for the region. It is anticipated that current student/faculty population will increase from current figures to more than 11,000 by 2010. (Source: University District Strategic Master Plan)

Other recent collaborative efforts include WSU Spokane and Sirti's initiative to identify tech transfer opportunities, and Aegis BioSciences, a healthcare start-up in the Sirti building, and Gonzaga University's joint proposal to the WTC for funding. Sirti is also working with NIOSH to identify tech transfer technologies.

Resources that would be tapped for completion of a suggested innovation zone policy include: Deaconess Medical Center, Holy Family Hospital, Sacred Heart Medical Center, Aegis Biosciences, Community Health & Education Resources (CHER), Deer Park Hospital, Eastern State Hospital, Health Improvement Partnership, Heart Institute of Spokane, Hollister-Stier Labs, InCyte Pathology, Inland Imaging, Kootenai Medical Center, Lincoln Hospital, MatriCal, Northwest MedStar, Northwest MedVan, Northwest Telehealth, Pathology Associates Medical Laboratories, Providence Health Services, Regional Outreach and Hospital Management, Rockwood Clinic, Ronald McDonald House, Shriners Hospital for Children, Spokane Alliance for Medical Research, Spokane MedDirect, Spokane Regional Health District, Spokane Veterans Assistance Medical Center, St. Luke's Rehabilitation Center, Valley Hospital and Medical Center.

2. Describe the strategy and resources that will be used to define the geographic boundaries of the Innovation Zone.

Strategy: Include the immediate geographic areas around or connected to the Riverpoint Campus.

The geographic boundaries of the UDIZ will be developed using the core curricula at the universities as one strategy. With emphasis on healthcare and health sciences at both EWU and WSU, and millions of dollars in funded

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research annually, a natural linkage between Riverpoint and the Medical District would seem to create a natural geographic boundary. Only minutes from Riverpoint by foot or vehicle, the Medical District includes three major hospitals and significant health-related offices and industries. The local healthcare workforce exceeds 29,000 and accounts for 14% of the local employment base.

Strategy: Include peripheral areas throughout the county that are not geographically connected, but have links to Riverpoint through technology, transportation or resource allocation.

The UDIZ will be the nucleus of the Spokane County Innovation Zone, with connectivity to business parks, incubators, R&D facilities and manufacturers via redundant, efficient and diverse transportation and technology infrastructure. Consideration will be given to extend the zone to appropriate peripheral businesses and/or to create a concept of virtual zone partners for organizations well outside the final geographic description of the zone.

Resources: The collaborators in this grant submittal have participated in the original University District strategic master plan process, and have relationships throughout the healthcare and education community. They plan to utilize the data gathered from the master plan process and perform additional research to develop the zone boundary policies. The team lead on establishing the geographic boundary will be the Spokane Area EDC due to their recruitment expertise and knowledge regarding ideal locations for siting business and industry activities within the Spokane region.

3. Describe the strategy and resources that will be used to identify the resources that will foster economic activity within such a Zone. Provide particular discussion of the strategy to provide information about labor market and skill issues in the Zone.

Strategy: Leverage existing information on University District economic activity and conduct additional research and analysis as needed to create a complete picture of local and regional economic activity.

EWU's Public Policy Institute conducted research and surveys within the University District as part of the Strategic Master Plan development. Information exists regarding demographics, housing and economic drivers. As part of the innovation zone grant, additional work could be contracted to further define and refine economic needs and drivers. The Spokane Area WDC also has valuable information through its database, including Labor Shed reporting and employment by category that can be very helpful.

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Strategy: Identify collaborators in the region whose mission is to recruit higher paying jobs to the local economy.

In addition to recruiting higher paying jobs, these organizations also provide linkages to diversification training, wage progression and career advancement strategies for employers which assist in retaining employees, as well as hiring quality employees.

Strategy: Leverage local expertise to determine skill gaps in the zone workforce and in the region's workforce.

The WDC has developed a dynamic, accountable workforce system that is flexible and able to respond to a rapidly changing economy. The WDC provides education and training opportunities that improve skills across the board, helping to develop workers in high demand areas, including technology, where gaps may exist. Programs include K-12 education, worker skills upgrade, and basic skills/remedial education programs to target populations.

Strategy: Drive workforce resources and readiness to the innovation zone through use of regular recruitment programs and new projects such as Job Access and Reverse Commute (JARC) and Lifeplan Improvement Feasibility Transportation Services (LIFTS). Leverage previous work done to develop collaborations, data sources, and new information sources that support workers and workforce development.

A number of community organizations, and agencies at the local, state, and federal levels, have detailed information concerning the labor market and skill issues. The team has the necessary representatives, with contacts in all relevant agencies and educational institutions, to identify a full complement of data sources.

For example, the EWU Institute for Public Policy and Economic Analysis recently received significant grant funding to develop a Community Indicators database that will link a wide variety of data sources on key resources and enable the development of outcome measurements over time.

The state has already invested in development of another new data source that will provide critical information. The JARC grant program is intended to establish a coordinated regional approach to job access challenges.

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Under JARC, the LIFTS project being conducted by faculty at WSU Spokane in cooperation with Spokane Transit will develop a web-based GIS/IMS (Geographic Information Systems/Internet Map Service) tool for public use. Data collected will address the needs of the workforce, including low-income and dislocated workers, assisting them in locating necessary services such as Spokane Transit fixed bus routes, job training sites, affordable housing options, child care, and employment sites.

Resources: Spokane County's program to develop a web-based Geographic Information Systems/Internet Mapping Service (GIS/IMS) tool for the public to use for locating of workforce training opportunities, transportation and employment sites will be an important resource to grow the necessary workforce within the University District to support these innovative and entrepreneurial job growth and business activities. Other resources include tools such as the Community Indicators database being developed by EWU and the WDC's workforce system. Team leads on this activity will include the Spokane Area WDC due to their expertise with local workforce and skills issues, and the Spokane Area EDC due to their expertise in local economic analysis and reporting.

4. Describe the strategy and resources that will be used to discuss the technological advances that will increase competitiveness of industries in the likely Zone.

Strategy: Define existing technology assets and determine missing network components that would be necessary to create a highspeed broadband communications infrastructure that would connect local entities with regional, national and international partners to drive innovation, research and economic development opportunities.

Existing initiatives around increasing connectivity to national and international research and development networks will be an important element of the UDIZ. This connectivity must be deployed to enable local organizations to more easily participate in the global economy.

Resources: Utilize existing partnership with University of Washington and Pacific Northwest Gigapop to deploy Eastern Washington Regional Gigapop. This is also supported by a number of local organizations that would provide data on assets and future requirements. An existing regional network (VPnet) also exists which will be tapped for support. A point of presence is planned for the University District and will be managed by WSU Spokane.

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Strategy: Develop an inventory of partners and resources within the proposed innovation zone that have complementary visions and missions to help develop and grow industries and businesses by delivering critical support functions. These partners would create symbiotic relationships, deriving benefit and advancement not only for themselves, but also for new business opportunities.

Within the proposed University District Innovation zone, the universities, research institutes and other partners, such as Sirti and ISM, are currently developing and implementing program portfolios that are specifically designed to accelerate the development and growth of bio- and high technology companies in Eastern Washington. State-of-the-art facilities already exist within the proposed zone and will be leveraged to support incubation of innovative technologies and companies.

Resources: Use partner organizations, such as WSU Spokane, Sirti and ISM, and existing information within the available strategic master plan, to develop database of entrepreneur and innovation resources.

Strategy: Develop an inventory of existing bio- and high tech companies to determine what “centers of excellence” or “knowledge zones” exist within the proposed innovation zone, and what complementary or peripheral industries are not present or are located elsewhere in the County.

The proposed innovation zone in the University District is already teeming with companies engaged in similar bio and tech activities which tap into the educational research capacity, skilled workforce and infrastructure. An inventory of existing activities will help provide more definition on peripheral activities that could easily be recruited to and grown within the zone. In addition, surveying these existing businesses and industries would also provide an opportunity to determine what barriers exist in the form of workforce, lack of access to capital or facility availability.

Resources: The collaborators in this grant submittal have participated in the original University District strategic master plan process, and have relationships throughout the healthcare and education community. They plan to utilize the data gathered from the master plan process and perform additional research to develop the zone boundary policies.

Strategy: Increase pace of technological advances by taking advantage of the growing national trend toward interdisciplinary research to drive discoveries, accelerate translational research, and move basic science

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through the pipeline into technology transfer. Utilize Spokane's recruiting advantage—the combination of phenomenal quality of life, a top research university, and a nationally recognized medical center—to draw the top scholars who produce breakthrough discoveries.

WSU is investing in people and programs to build on its core of world-class researchers across the system. WSU Spokane research programs focus on the biomedical/health sciences, materials science, and design disciplines. Key researchers from the Pullman and Spokane campuses collaborate in interdisciplinary teams, and are highly successful both in receiving targeted federal funding through earmarks, and in receiving millions of dollars in competitive grants.

The close proximity on campus of widely disparate disciplines (e.g. materials science, chromosome biology, pharmacy, sleep research) and businesses headquartered in Sirti and in the surrounding area leads to innovation due to boundary-crossing and cross-pollination. The National Institutes of Health and other federal agencies are increasingly directing competitive funds toward interdisciplinary teams, recognizing that true breakthrough discoveries do not “belong” to just one discipline.

Talent draws talent—a strategy WSU has used successfully to build a program in sleep and performance research in Spokane. WSU also recruited Lisa Shaffer and Bassem Bejjani, both recognized nationally for their work in cytogenetics. They are co-founders of Signature Genomics, a rapidly growing Spokane-based company which manufactures a genetic diagnostic chip.

WSU is also a lead partner in the Institute for Systems Medicine, which intends to recruit top faculty with joint appointments to work on translational genomics research.

The rapidly increased level of research activity, as evidenced by competitive grants and contracts and multi-million-dollar federal earmarks, is reflected in the commitment of business leadership to utilize research-driven economic development tactics. This discussion is ongoing and accelerating.

Strategy: Partner with area universities for technology transfer to move research into the marketplace.

WSU partners actively with other institutions, businesses, and organizations to accelerate focused research programs. The Applied Sciences Laboratory, a unit of the world-renowned Institute for Shock Physics based at WSU Pullman, is headquartered at WSU Spokane. The ASL is a contract research

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organization that turns science into solutions, partnering with industry and government agencies. Research under way at the ASL includes nanophase optics, with possible applications ranging from energy (super-thin, flexible solar panel cells) to medical imaging applications (ultra-high nano-level resolution for X-rays), among others. A business development officer is being hired for the ASL, and will work to seek out industry partners with research needs and link them with university problem-solvers.

The WSU Office of Research is already working to identify and link promising research inside the university with community assets to enable and accelerate tech transfer. They are now hiring a top scientist to focus on business development opportunities, linking the university's research in the health and life sciences to businesses in the Spokane region. This person will be headquartered at WSU Spokane, and will serve as a resource to bring people together to discuss the priority areas needing research to support technological advances.

Resources: WSU Office of Research, and Office of Intellectual Property Administration, with staff in Pullman and Spokane.

5. Describe the strategy and resources that will be used to define public policy options in support of the workers and industries in the Zone.

Strategy: Develop and advocate for policies and regulation that promote economic and business development within the innovation zone.

- *This component will evaluate existing policies and regulations that impact industry located in the innovation zone to identify:*
 - *Those policies and regulations that are beneficial to industry located within the innovation zone*
 - *Those policies and regulations that are potentially harmful to industry located within the innovation zone*
 - *Potential new policies and regulations that should be pursued to benefit industry located within the innovation zone*

Strategy: Develop and advocate for funding strategies that will support development of the research entities in the innovation zone.

- *This component will evaluate existing funding strategies that impact industry located within the innovation zone to identify:*
 - *Those funding strategies that are beneficial to industry located within the innovation zone*

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- *Those funding strategies that are potentially harmful to industry located within the innovation zone*
- *Potential new funding strategies that should be pursued to benefit industry located within the innovation zone*

Resources: Utilize each entity's policy and lobbying staff to advance business and economic development legislation and initiatives at the state level. Each entity will contribute staff time to evaluate the above issues, develop a working plan, and commit to supporting and advocating for such a plan.

6. Describe anticipated matching resources (including in-kind contributions).

Matching resources for this Innovation Zone grant are detailed below and consist of in-kind contributions from the collaborative partners.

Innovation Zone Grant (CTED)	\$ 10,000
Spokane Area Economic Development Council (Spokane Area EDC)	\$ 5,000
Washington State University, Spokane (WSU Spokane)	\$ 5,000
Sirti	\$ 5,000
Institute for Systems Medicine (ISM)	\$ 5,000
Spokane Regional Chamber of Commerce	\$ 5,000
Inland Northwest Health Services (INHS)	\$ 5,000
City of Spokane	\$ 5,000
Spokane County Workforce Development Council	\$ 5,000
Total Innovation Zone Planning Investment	\$ 50,000

50 hrs @ \$100/hrly offered from each partner in in-kind support of the planning process

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